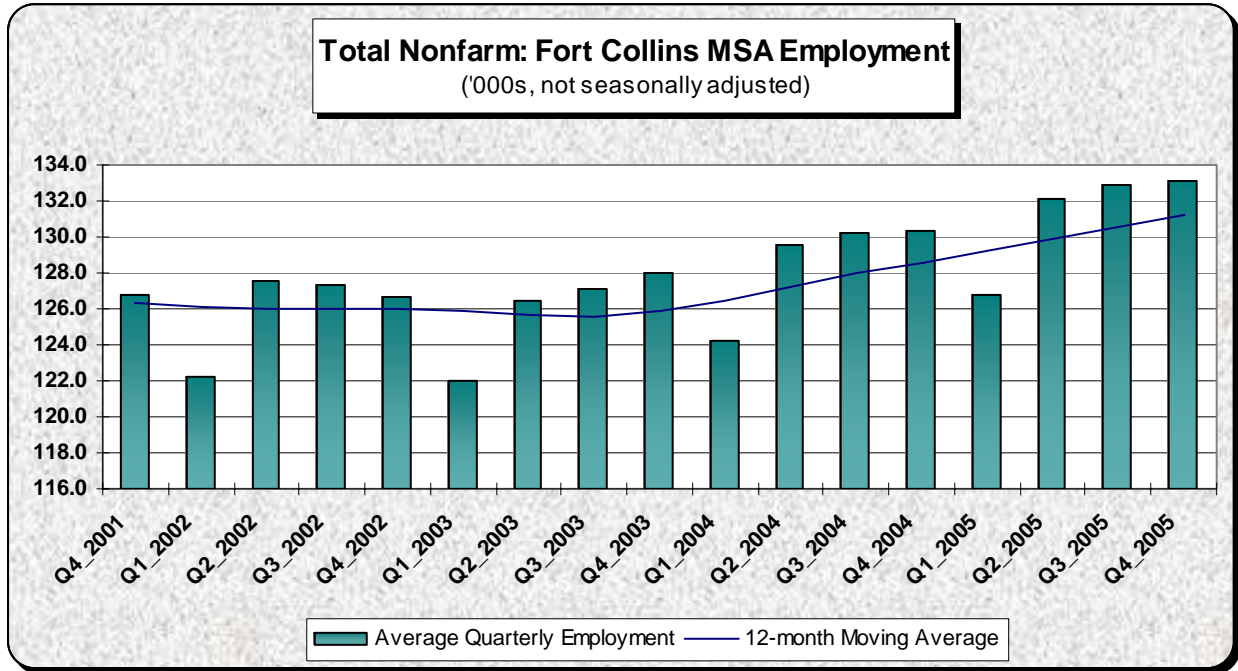


**Fort Collins MSA Preliminary Estimates: By Jennifer St. Peter**

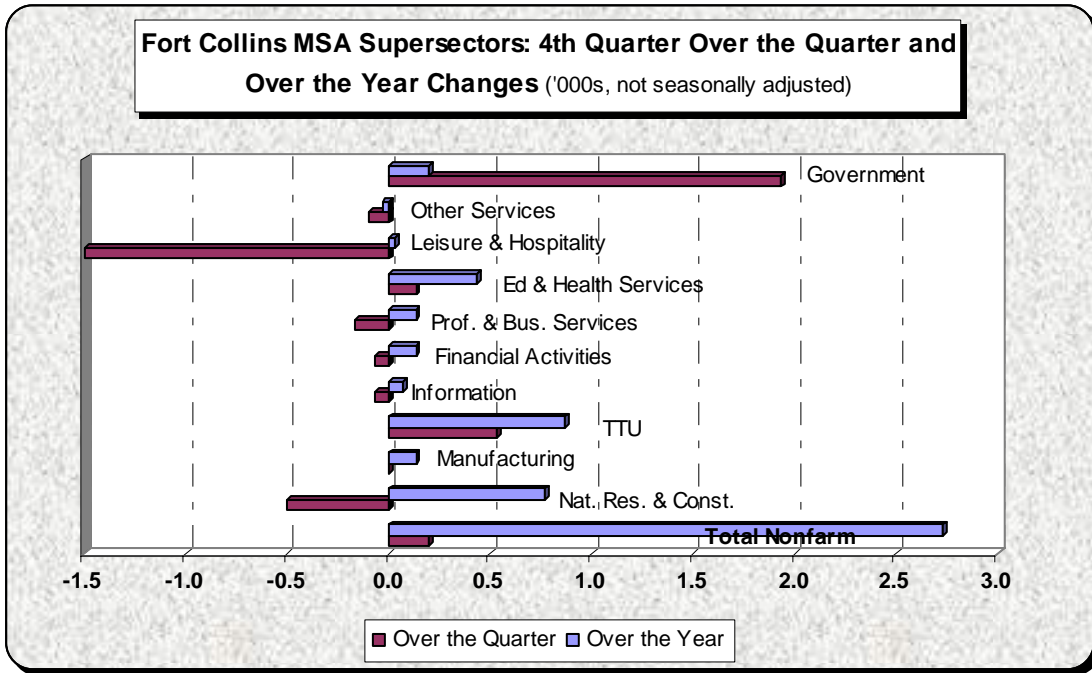
**TOTAL NONFARM WAGE AND SALARY EMPLOYMENT: +200 (0.2%)**

(Not Seasonally Adjusted)

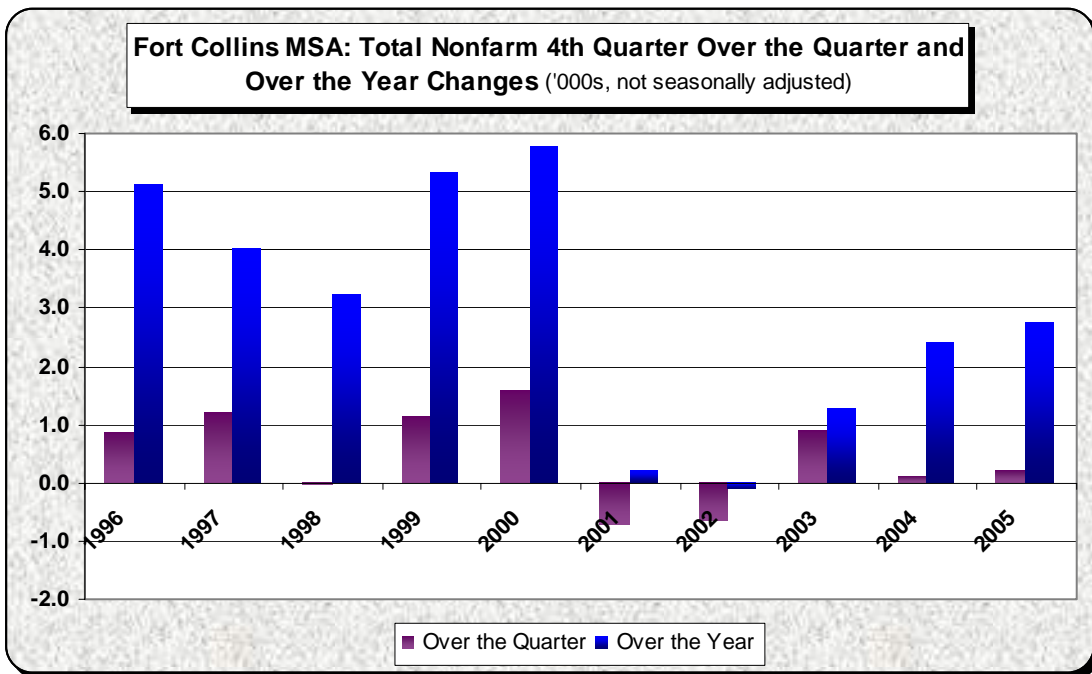


The Fort Collins MSA added 200 jobs in the 4<sup>th</sup> quarter, bringing average quarterly total nonfarm employment to 133,100, a new high. This was only one-third of the expected increase (10-year average 4<sup>th</sup> quarter change), and follows normal movements in the last three quarters. Performance at the supersector level was mostly downward, with seasonal movements canceling each other out. Government posted the largest gain, up 1,900 in the quarter. Trade, transportation & utilities added 500, and education & health services increased by 100. Leisure & hospitality countered most of the gains with its 1,500 drop. Natural resources, mining & construction declined 500, and professional & business services shed 200 positions. Financial activities, information, and other services all inched down 100, and manufacturing was unchanged.

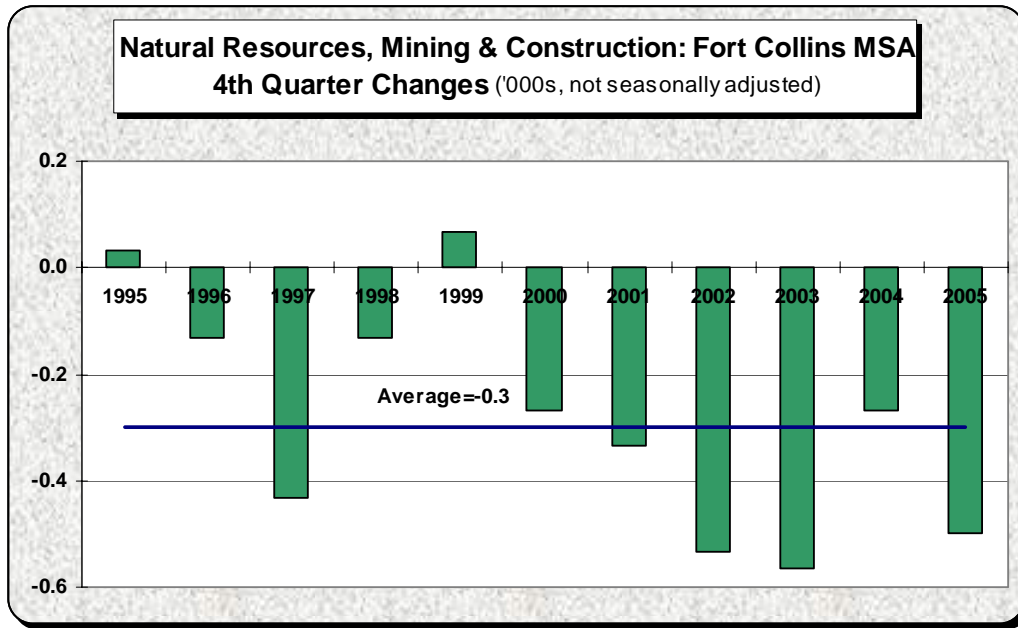
Since last December, 2,700 jobs have been added in the MSA, for growth of 2.1%. Trade, transportation & utilities was the biggest gainer with 900 new hires, and natural resources, mining & construction posted the strongest growth rate of the supersectors at 8.1%. Education & health services gained 400, and government added 200 to its payrolls. Manufacturing, financial activities, and professional & business services inched up 100 apiece over the year, and information, leisure & hospitality and other services were all unchanged.



This MSA underwent a slight recession of 0.6% after the 12-month average employment reached a peak October 2001. Annual average employment exited a plateau September 2003, and gained an annualized 1.9% over the next five quarters. In the subsequent year, employment has expanded by a further 2.0% and is now 3.8% above the previous peak.

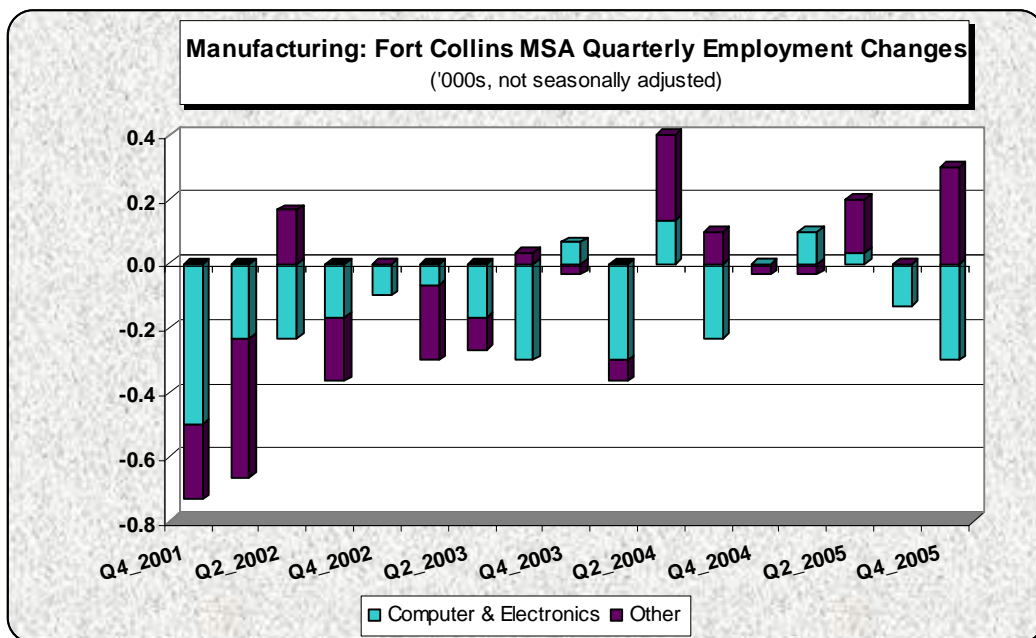


## NATURAL RESOURCES, MINING AND CONSTRUCTION: -500 (4.5%)



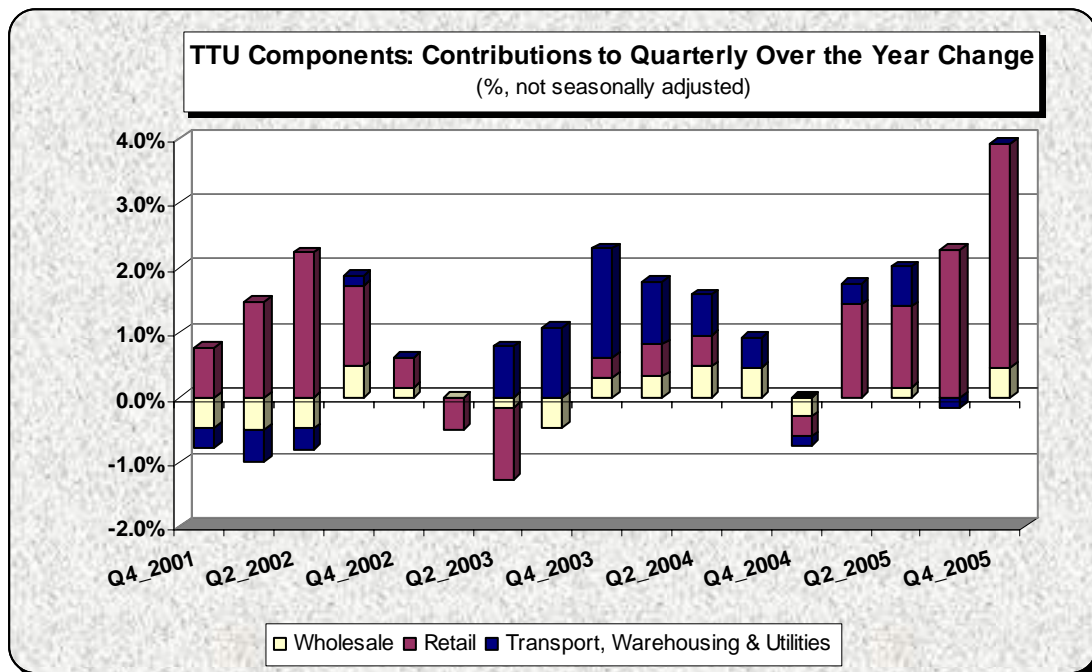
Employment in natural resources, mining & construction declined by 500 in the 4<sup>th</sup> quarter. This movement is slightly larger than anticipated, but comes on the heels of a strong gain in the 3<sup>rd</sup>, leaving the two quarter change in line with expectations. Average quarterly employment is now at its highest 4<sup>th</sup> quarter level on record. Over the year, this industry expanded by 8.1% (800 jobs), the strongest of the supersectors. After peaking September 2002, average annual employment in natural resources, mining & construction contracted by 6.7%, slightly more than 100 positions per quarter before hitting a trough 1<sup>st</sup> quarter 2004. Over the subsequent seven quarters, growth has averaged 1.2% per quarter, leaving the industry fully recovered.

## MANUFACTURING: UNCHANGED



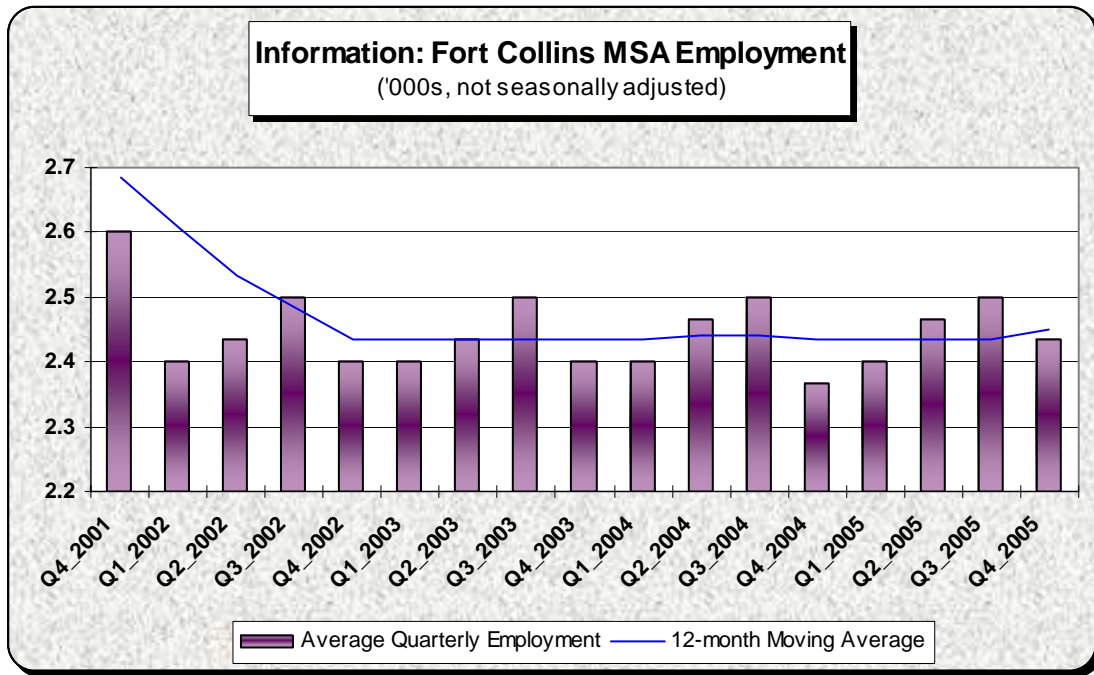
Manufacturing employment remained unchanged over the quarter and notched up 100 (0.8%) over the year. The computer & electronic product manufacturing sector, which now comprises nearly four of ten supersector jobs, has been particularly weak. This component declined by 300 (6.0%) both over the quarter and over the year, countering gains in other manufacturing sectors. This industry has been in a period of substantial declines, with a 23.9% contraction over three years from the March 2001 quarterly peak. With its 34.6% drop over the same time frame, the computer & electronics sector was responsible for a disproportionate 71.1% of the industry losses. During the last seven quarters, gains in other manufacturing components have offset the further 7.8% decline in computer & electronics, resulting in a 400 job (3.3%) uptick in the supersector. Manufacturing has now posted positive over the year growth in the last four quarters, a drastic improvement in an industry that last saw an annual expansion in June 2001.

## TRADE, TRANSPORTATION, & UTILITIES (TTU): +500 (2.2%)



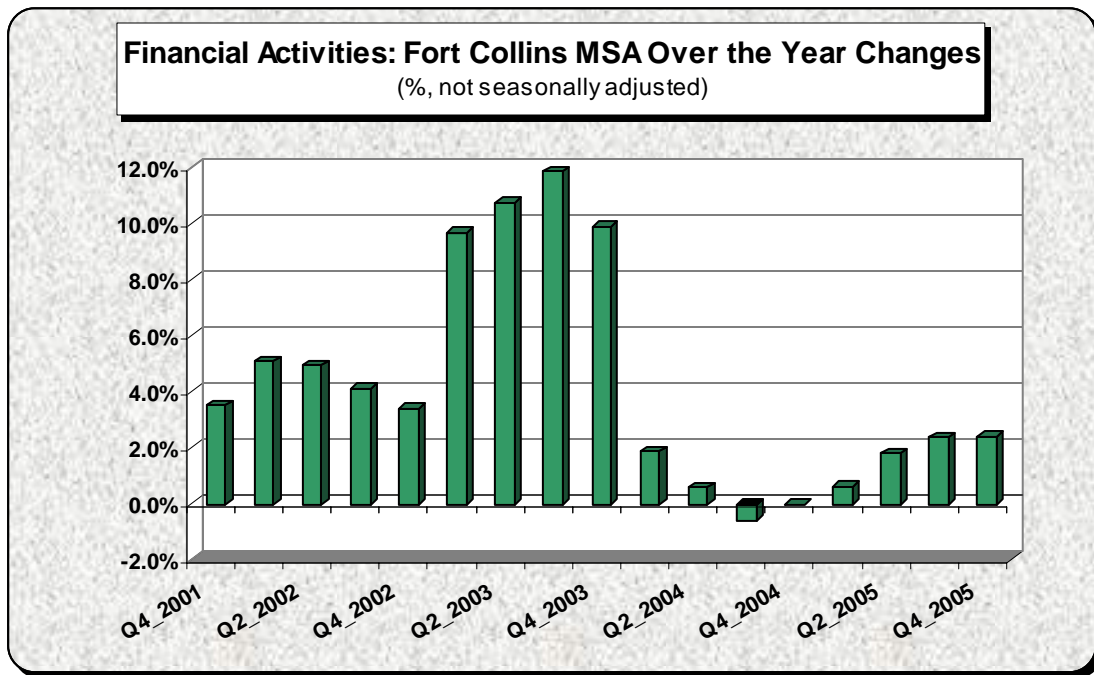
Trade, transportation & utilities added 500 this quarter, more than expected due partly to the openings at Promenade Shops at Centerra. In line with seasonal patterns, retail trade was responsible for the entire gain with its 3.0% bump approaching the holiday season. Over the year, 900 jobs (4.1%) have been added to industry payrolls, the strongest growth since September 1999. All of the expansion occurred in the trade sectors, as retail donated a majority of the positions with its 700 (4.3%) gain and wholesale added 100 (3.4%). This industry did not undergo a recession, but instead hit a plateau over the year to September 2003. During the subsequent quarters, growth has rebounded to an annualized 1.7%. Despite recent weakness, the transportation, warehousing & utilities sector has grown faster than the trade sectors over this period, posting a 3.4% annualized expansion.

INFORMATION: -100 (4.0%)



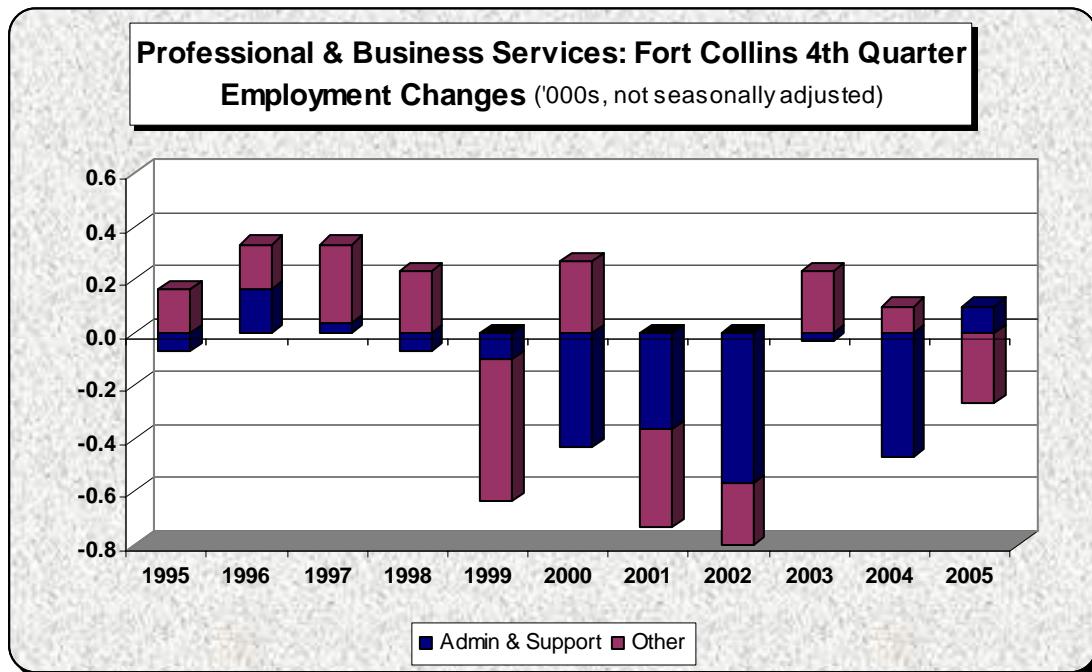
Information relinquished its 2<sup>nd</sup> quarter gains and declined by 100 this quarter. This contraction leaves employment unchanged over the year for the sixth consecutive quarter. This industry has experienced fairly strong losses since peaking in 2001, as annualized employment declined 11.1% in 2002. The contraction subsided in 2003 and 2004, and employment remained steady. The 12-month average employment level inched up 100 (4.2%) this quarter, returning to a level last seen in late 2002.

FINANCIAL ACTIVITIES: -100 (1.7%)



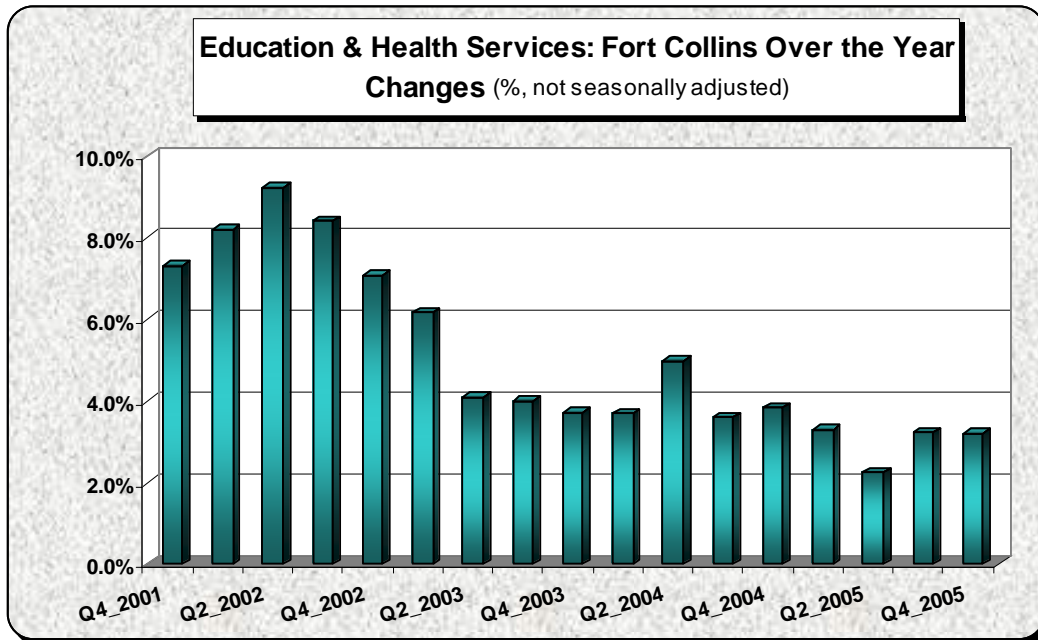
In line with expectations, financial activities declined by 100 in the last three months, canceling half of last quarter's gain. Over the year, 100 new hires have been added to the supersector, for growth of 1.8%. This matches the average over the year growth rate for 2005, after the analogous rate fell from 10.5% in 2003 to 0.5% in 2004. Fueled by low interest rates and a booming housing market, this industry ran counter to total nonfarm trends until recently. While total MSA employment declined by an annual average 0.2% in 2002 and a further 0.1% in 2003, financial activities increased by 4.2% and 10.0%. In 2004, total employment recovered to add 2.1% while industry employment was flat. These trends have started to converge in 2005, with annualized growth of 2.0% in the MSA versus 1.8% in this supersector.

## PROFESSIONAL AND BUSINESS SERVICES: -200 (1.2%)



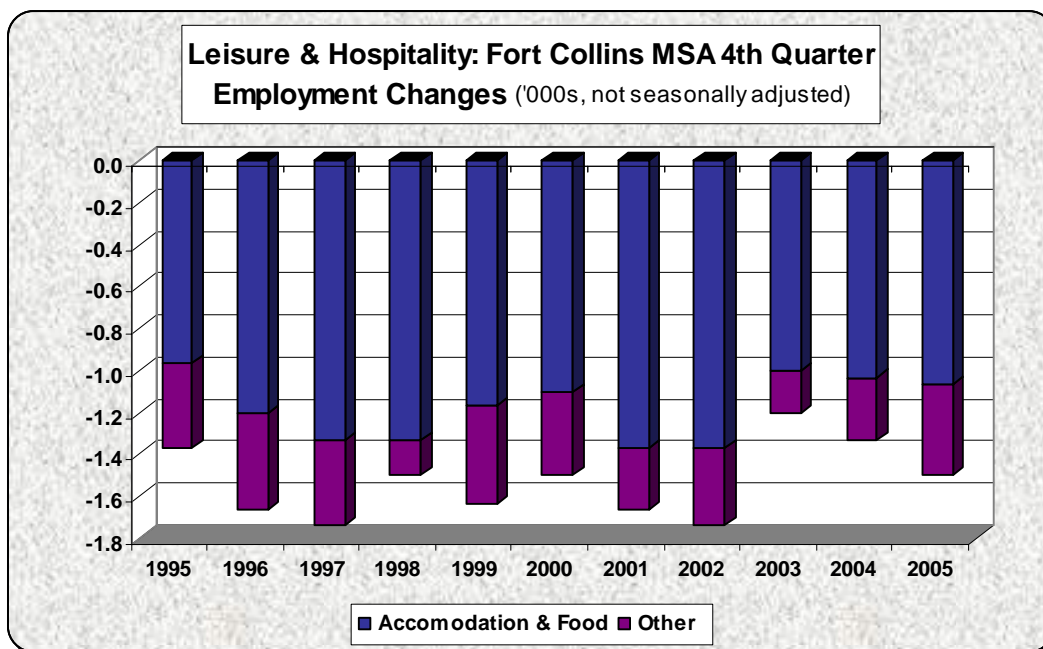
Professional & business services dropped 200 from payrolls in the 4<sup>th</sup> quarter, its smallest such decline since 2000. The catchall administrative, support, waste management & remediation services component increased by 100 (1.4%), its first 4<sup>th</sup> quarter increase since 1997. Supersector employment inched up 100 (0.6%) over the year, after falling flat last quarter. This pulls the annual growth rate to a quarterly average of 2.1% in 2005, down from 7.5% in 2004. After struggling with annual declines in three of the last four quarters, the administrative & support sector gained 200 (2.8%) from last December. Following a mid 2001 peak, average annual employment in this industry contracted by 11.0% before reaching a trough 3<sup>rd</sup> quarter 2003. The job market improved markedly over the next year, with a 6.5% expansion. Growth has since flattened to an annualized 2.9%. The administrative & support sector has lagged behind this industry since peak employment- it accounted for a disproportionate 73.7% of the recessionary job losses, posted a more moderate 5.9% recovery in the year to 3<sup>rd</sup> quarter 2004, and has contracted by an annualized 1.1% in the last five quarters.

## EDUCATION AND HEALTH SERVICES: +100 (0.7%)



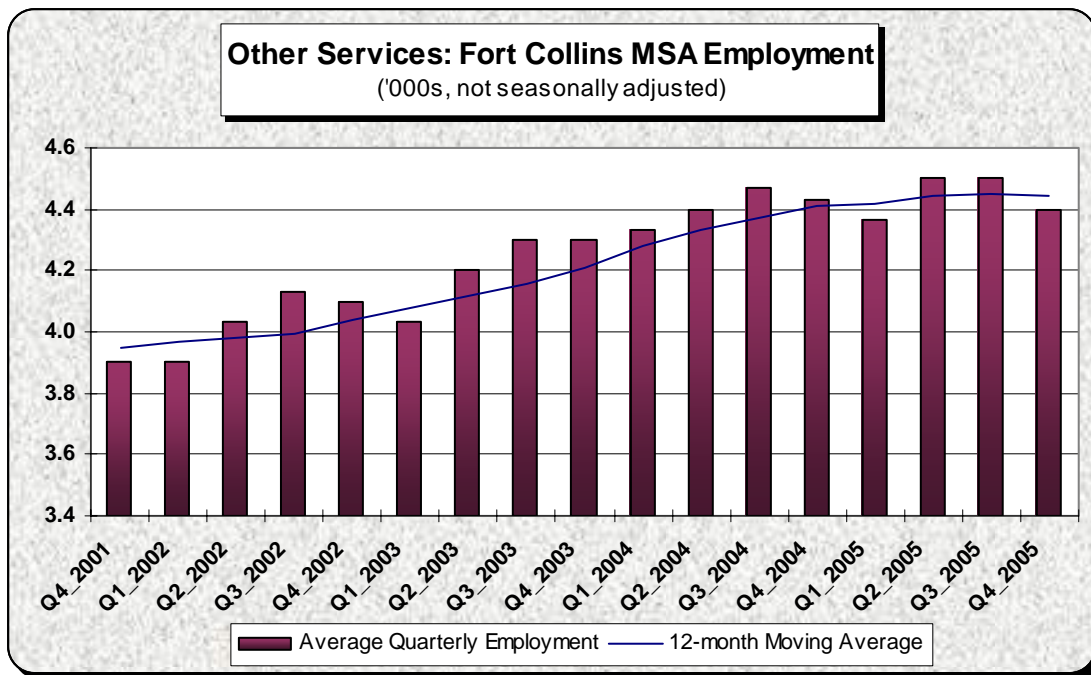
Education & health services added a seasonally expected 100 in the three months to December. This industry has shown consistent growth and has seen only two quarterly declines since the beginning of the 2000s. Over the year growth was 2.9% (400 jobs), slightly below the prior four-quarter trend. The annual growth rates in this industry have steadily declined, from a high of 8.1% in 2001 to 5.9% in 2002 and 4.0% in 2003. Expansion popped up to 4.6% in 2004, but dropped to 2.2% in 2005. As this industry is demographically driven, this trend mirrors that seen in population growth, which fell from 3.5% in 2001 to 1.4% in 2002, 0.6% in 2003 and back up to 1.4% in 2004.\*

## LEISURE AND HOSPITALITY: -1,500 (9.0%)



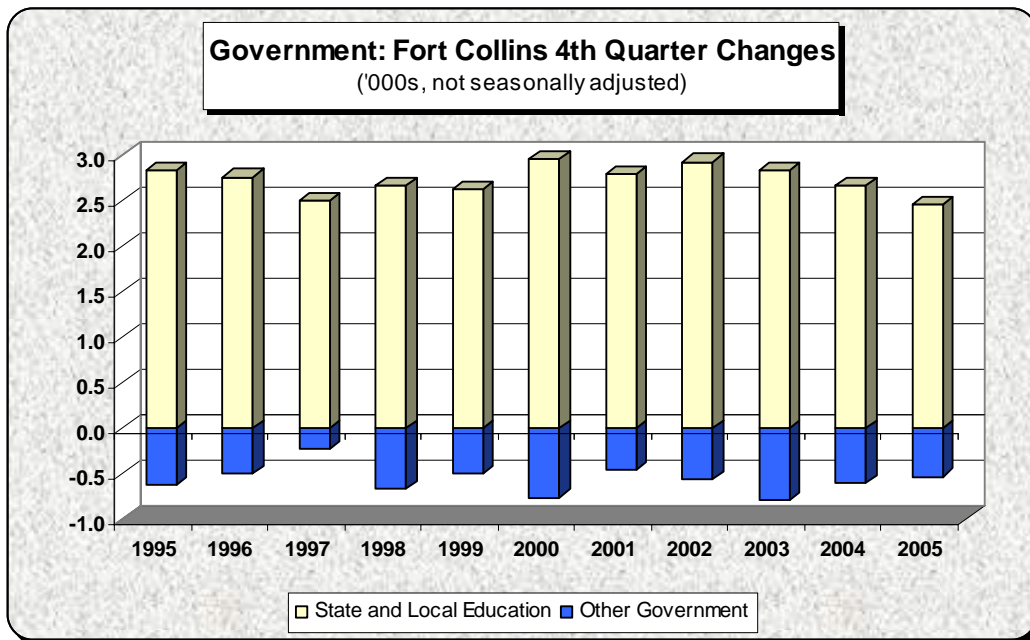
Driven by a seasonal decrease of 1,000 (6.8%) in its accommodation & food services sector, leisure & hospitality shed 1,500 in the 4<sup>th</sup> quarter. This is the largest such drop for both the supersector and its component since 2002, but leaves the industry's average quarterly employment tied for the highest 4<sup>th</sup> quarter level on record. Since the peak reached last December, employment remains unchanged, as a gain of 200 (1.5%) in accommodation & food services was countered by declines in other sectors of leisure & hospitality. This supersector did not suffer a recession, but rather saw employment go from a 3.5% expansion in 2002 to flat in 2003. Growth rebounded to 2.7% in 2004, but fell back to only 0.7% in 2005. Accommodation & food services did undergo a 1.5% contraction in 2003, but fully recovered by advancing 2.3% in 2004. This sector's growth of 1.5% in 2005 leads the industry.

## OTHER SERVICES: -100 (2.2%)



Other services declined by an anticipated 100 jobs in the 4<sup>th</sup> quarter, mirroring the movement from the same time last year. For the second consecutive quarter, employment is unchanged over the year. This is well below the prior four-quarter trend of an annual 2.5% gain. This supersector has posted relatively strong growth over the past couple of years, with expansions of 5.1% in 2002, 4.9% in 2003, and 4.6% in 2004. Due largely to weakness in the second half of the year, the employment level remained flat in 2005.

## GOVERNMENT: +1,900 (7.2%)



In line with seasonal patterns, government posted the largest quarterly increase of the supersectors by adding 1,900 to payrolls. All of the gains occurred in State and local education as the traditional school year hit full stride. Over the last twelve months, government employment has increased by 200 (0.7%), the fourth consecutive quarter of such growth. Local and State government, each of which constitutes approximately 46% of industry employment, added 100 jobs (0.8%) apiece, with the educational subsectors donating all of these gains. With its decline of 200 (7.7%) in the fourth quarter, Federal government relinquished gains from earlier in 2005 to leave employment flat over the year.

\* Data from Colorado State Demographer’s Office: <http://dola.colorado.gov/demog/demog.cfm>.

-end-

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Please reference, Source: “Colorado Department of Labor and Employment, Labor Market Information”.